



**METROPOLITAN
TRANSPORTATION
COMMISSION**

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Memorandum

Agenda Item 3

TO: Operations Committee

DATE: December 6, 2013

FR: Executive Director

W. I. 310-2700

RE: Contract Change Order – Clipper® Bus Equipment: Cubic Transportation Systems, Inc. (\$300,000)

Project Status Report

Attachment 1 includes information about current Clipper® system operations.

Contract Actions

Staff recommends that the Operations Committee authorize the Executive Director or his designee to negotiate and enter into the following contract action.

Contract Change Order – Clipper® Bus Equipment: Cubic Transportation Systems, Inc. (\$300,000)

Clipper® equipment is deployed on over 2,700 vehicles at Golden Gate Bridge, Highway, and Transportation District, AC Transit, SFMTA, VTA, and SamTrans. Due to ongoing requests for additional devices to support fleet expansions for current and future Clipper bus operators, the current inventory of vehicle equipment is running low. To maintain sufficient inventory to support ongoing operations through the end of the Clipper® Contract (November 2019), MTC requires an additional quantity of vehicle equipment within the next 18 months to support our needs.

Due to obsolescence of certain components of our existing devices (processors and Proxim wireless boards), the Clipper® Contractor is unable to provide additional units of our existing vehicle devices (card readers and driver consoles). While the purchase of a limited quantity of “legacy” devices from the former Clipper® supplier (ERG) might be possible, availability of a sufficient number of those devices for the remainder of the Contract term is highly unlikely.

MTC staff evaluated options for obtaining new devices, including:

1. Integrate next generation devices from the current Clipper® Contractor
2. Conduct competitive procurement to obtain third party devices

MTC staff recommends Option 1 (integrate the Clipper® Contractor’s next generation devices) as the most viable option based on cost, schedule to implement, and the associated benefits and risks. Option 2 would take longer, due to the requirements of competitive procurement, and Cubic’s participation would still be required in order to integrate the devices into the Clipper® back-end system, which likely would cause the total price to exceed the cost of Option 1. Also,

Option 1 is permitted under the Clipper® Contract: Article 4.3 anticipates the incorporation of technology enhancements or improved replacements into the Clipper® fare payment system by change order during the Contract term.

Given the long lead time to obtain next generation devices and modify the current device applications to run on the next generation devices (approximately one year from Change Order execution), staff recommends proceeding with a portion of the work as soon as possible. The Clipper® Contractor has submitted a price proposal that requires refinement in certain areas. While these details are being worked out, staff requests approval of a time-and-materials Change Order to allow the Clipper® Contractor to commence work that has already been fully defined and priced. This Change Order will cover procurement of ten of the next generation vehicle devices as prototypes to support software development, completion of the software design requirements process, and initiation of software development.

Staff recommends that the Operations Committee authorize the Executive Director or his designee to negotiate and enter into a contract change order or change order amendment with Cubic Transportation Systems, Inc. in the amount of \$300,000 to initiate engineering work in advance of integrating next generation bus devices into the Clipper® system to support ongoing operations and anticipated system expansions.



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Table 1: Summary of System Usage

	Last Month October 2013	Prior Month September 2013	Prior Year October 2013
Transaction Volume			
Average Weekday Ridership ¹	702,558	730,456	697,902
Fee-Generating Transactions ²	19,587,348	18,941,547	19,603,207
Unique Cards Used	692,476	704,970	641,157
Active Card Accounts	1,337,335	1,326,900	1,310,727
Settled Transit Operator Revenue	\$36,453,446	\$37,016,454	\$36,232,642
Autoload Activity			
Percent of Registered Cards with Autoload	37%	37%	37%
Call Volume			
Customer Service Representative (CSR) Calls	29,218	31,089	31,220
CSR Calls per Unique Card Used	0.04	0.04	0.05
Website Traffic³			
Unique Visitors	168,222	182,922	174,309
Website Visits	245,239	267,901	253,710
Website Visits per Unique Card Used	0.35	0.38	0.40

Note: The drops in average weekday ridership and unique cards used can likely be attributed to the BART strike.

¹ Includes average daily number of boardings, including transfers but excluding some Caltrain monthly pass trips (Caltrain only requires monthly pass customers to tag their cards once at the beginning of each month).

² Includes single-tag fare payments, BART and Caltrain exits, Golden Gate Transit entries, add-value transactions, opt-out purse refunds and pass use, including institutional passes. Does not include transfers or transactions where fee value is \$0 (e.g., issuance of free cards, zero-value tags in dual-tag systems, etc.).

³ Includes standard and mobile sites

Table 2: Weekday Market Penetration Rates

	Average Weekday Clipper Boardings October 2013	Market Penetration Rate Current Month October 2013	Market Penetration Rate Prior Month September 2013	Market Penetration Rate Prior Year October 2012
AC Transit	65,900	33.4%	32.3%	29.0%
BART	205,713	48.8%	55.1%	50.8%
Caltrain ⁴	10,216	74.7%	72.6%	76.9%
Golden Gate Ferry	7,492	92.5%	92.7%	95.4%
Golden Gate Transit	9,225	43.3%	43.4%	38.9%
SamTrans	17,062	36.8%	36.4%	33.5%
Muni/SFMTA	344,999	50.5%	51.0%	52.2%
VTA	39,653	27.7%	27.3%	28.1%
San Francisco Bay Ferry/WETA	2,299	90.2%	69.6%	26.2%

⁴ MTC's calculation of the Clipper market penetration rate on Caltrain reflects an assumption that monthly pass holders board Caltrain twice per day on weekdays. MTC estimates that the 14,398 calendar pass sales during Caltrain's vending window for October passes translated to 28,796 additional Caltrain boardings each weekday.

REQUEST FOR COMMITTEE APPROVAL

Summary of Proposed Contract Change Order

Work Item No.: 310-2700

Contractor: Cubic Transportation Systems, Inc.
Concord, CA

Project Title: Clipper® Bus Equipment

Purpose of Change Order: Initiate engineering work to integrate next generation bus devices into Clipper® system.

Brief Scope of Work: Procure next generation vehicle devices as prototypes to support software development, complete software design requirements process, and initiate software development efforts to integrate Cubic's next generation bus devices into Clipper® system to support ongoing operations and anticipated system expansions.

Estimated Project Cost: This Change Order: \$300,000
Total actual capital contract value including Change Orders prior to this Change Order: \$129,346,402
Total actual capital contract value with this Change Order: \$129,646,402

Funding Source: STP, CMAQ, STA, TCP and Regional Measure 2 Capital

Fiscal Impact: Funds included in the FY 2013-14 agency budget

Motion by Committee: That the Executive Director or his designee is authorized to negotiate and enter into a Contract Change Order or Change Order Amendment with Cubic Transportation Systems, Inc. for the purposes described herein and in the Executive Director's December 6, 2013 memorandum, and the Chief Financial Officer is authorized to set aside \$300,000 for such Contract Change Order or Change Order Amendment.

Operations Committee:

Jake Mackenzie, Chair

Approved:

Date: December 13, 2013